

# **EXHIBIT 54**

**From:** Goretsas, Noel D [Noel.D.Goretsas@usdoj.gov]  
**Sent:** 11/4/2008 7:35:35 PM  
**To:** Melton, Jenny [jenny.melton@mckesson.com]  
**CC:** Moreno, Frank E [Frank.E.Moreno@usdoj.gov]; Hilliard, Gary [gary.hilliard@mckesson.com]; Bossert, John [John.Bossert@usdoj.gov]  
**Subject:** RE: Questions on Daily & Suspicious Orders Electronic Reporting

Jenny,

Pursuant to the telephone conversation with McKesson's Donald Walker and the Drug Enforcement Administration's Christopher Grush on October 30, 2008, it has been verbally agreed upon that McKesson will submit all Non-ARCOS daily transactions on a monthly basis. McKesson has also agreed to include drug products that contain carisoprodol and tramadol in the monthly Non-ARCOS file.

Please find the below answers to your original questions as well as additional information that may help to clarify file formatting or any outstanding issues.

1. There is one control record for each reporting registrant in the file. Just like ARCOS, they can have multiple reporting registrants in one file, but the records should be grouped by reporting registrant and preceded by a control record. Note: McKesson must report all transactions, not just "daily sales".
2. Just as in ARCOS, the central reporting number (if the company is a central reporter) should be in positions 20-28 of the control record. The DEA number of each individual reporting location would be in positions 1-9.
3. Reset monthly.
4. Use M since McKesson is a monthly ARCOS reporter.
5. Use end of month since McKesson is a monthly ARCOS reporter.

#### **Daily Transactions (Non-ARCOS)**

**Daily transactions (Non-ARCOS) will be reported in the standard 80 character electronic ARCOS reporting format, except as indicated below.**

- The Non-ARCOS transaction report will contain all controlled substances not reported in your standard ARCOS report. This report will include all schedule 3 non-narcotic products (excluding gamma-hydroxybutyric acid drug products because they are reported in your standard ARCOS report), all schedule 4 drug products, all schedule 5 drug products, and drug products that contain carisoprodol and tramadol.
- In order to properly reconcile the Non-ARCOS report, all transaction types will be reported. For example: sales, purchases, returns, thefts, etc.
- To ensure there is no duplication of the transaction sequence numbers within the same month, begin the Non-ARCOS report transaction sequence number after the last transaction ID in your ARCOS report. For example: If the ARCOS report begins with transaction ID "0000000001" and ends with "0000078901", then begin your Non-ARCOS report with transaction ID "0000078902" and continue to the end. Reset the transaction number for each reporting period.
- If you are currently submitting reports from multiple locations, then you will continue to submit a separate file for each location.
- The URL for uploading is <https://www.deadiversion.usdoj.gov/arcos-abc/>

- File naming convention for upload is "Daily\_Report\_DEA#\_yyyymmdd.txt". This can be modified if character limited. Note: Substitute your company's reporting DEA number for "DEA#" in the filename.
- If you are a registered central reporter, you may substitute the DEA registration number with your central reporting number in the file name.

### **Suspicious Orders**

**Suspicious Orders will be reported in the standard 80 character electronic ARCOS reporting format, except as indicated below.**

- A suspicious order should be reported to DEA only after your company has completed its due diligence and determined that you will not complete the sale because it is suspicious.
- Suspicious orders are not sales or potential sales.
- DEA will not validate suspicious orders. The purpose of reporting suspicious orders is to notify DEA of a potential problem, not to have DEA validate the order.
- Suspicious orders must be reported in the same format as an ARCOS transaction.
- Use transaction code "A" to identify a suspicious order.
- The transaction date for a suspicious order is the date that the reporter determined the transaction to be suspicious and you report, not the date the order was received.
- If no suspicious orders are received during a 24 hour period, nothing will be reported for that day.
- Report a suspicious order as soon as your company decided that they will not make the sale because it is suspicious.
- The control record date will be the same as the transaction date of the suspicious order.
- The sequence number can be continuous from report to report or can be reset to one (1) for each individual report.
- If an order form number was provided for schedule 2 orders, be sure to include the order form number.
- The URL for uploading is <https://www.dea diversion.usdoj.gov/arcos-abc/>
- File naming convention for upload is "Suspicious\_Orders\_DEA#\_yyyymmdd.txt". This can be modified if character limited. Note: Substitute your company's reporting DEA number for "DEA#" in the filename.

Thank you for your patience and please let me know if you have further questions.

*Noel Goretsas*

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-----Original Message-----

**From:** Melton, Jenny [mailto:Jenny.Melton@McKesson.com]  
**Sent:** Wednesday, October 22, 2008 5:43 PM  
**To:** Goretsas, Noel D  
**Cc:** Moreno, Frank E; Melton, Jenny; Hilliard, Gary  
**Subject:** Questions on Daily & Suspicious Orders Electronic Reporting

Noel – McKesson is working on the daily reporting of Controlled Substances to DEA. There are a few questions that have come up and I want to confirm with you to ensure we are providing the data expected by DEA.

1. Just to confirm, as in ARCOS the control record is one record at the start of the transmission even though we will have multiple reporting registrant numbers in the daily sales transaction records.
2. McKesson does centralized reporting. Again to confirm, McKesson should use the same Central Reporter's Number we use on our Monthly ARCOS reporting, correct?
3. The documentation received from DEA states "The transaction identifier will continue to increment from report to report. In other words if the transaction identifier for the daily report for January 1 ended at 0000000123, the daily report for January 2 will begin at 0000000124." Based on McKesson's volume, at some point we will probably exceed the sequential numbering scheme provided by DEA. At what point in time is it okay for the numbering to reset to 0000000001? Daily, Monthly, Annually, or when we run out of numbers?
4. The DNS Reporting Format Doc provided by DEA states that REPORTING FREQUENCY (M or Q). The example you provided shows a value of "M". Is there a value "D" for daily or in fact if we are a monthly ARCOS reporter should it be "M"?
5. LAST DAY OF REPORTING PERIOD (MMDDYYYY) Should that be the date the date we are submitting the report or are you looking for something else in that field?

Please call me at 415-983-8780 if you have any questions.

thanks - - jenny

**Jenny Melton**  
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